

29th November 1955]

(After lunch—2-35 p.m.)

(2) THE MADRAS GENERAL SALES-TAX (THIRD AMENDMENT)
BILL, 1955.

* THE HON. SRI M. A. MANICKAVELU : Mr. Speaker, Sir, I beg to introduce the Madras General Sales Tax (Third Amendment) Bill ^a, 1955 and move—

“ That the Bill be referred to a Select Committee.”

I shall be submitting the names later.

I would like to point out that experience of the working of the Madras General Sales-tax Act, 1939, has shown that there are a number of defects which have to be rectified. It is also considered desirable to adopt some of the amendments made to the Sales Tax Acts in the other States. The question of amending the Madras General Tax Act for the above purposes and to remove certain difficulties caused by judicial pronouncements has been under the consideration of the Government for some time past. Some of the amendments which were urgent were given effect to in separate Bills then and there; the remaining amendments which were held over have been incorporated in the present Bill.

I shall explain some of the salient features of this Bill.

At present articles of food and drink sold in a hotel, boarding house or restaurant are liable to enhanced tax at $4\frac{1}{2}$ pies for every rupee if the turnover relating to those articles is not less than Rs. 25,000 per annum. Under the amendment proposed the enhanced tax of $4\frac{1}{2}$ pies will apply to articles of food or food and drink sold in a hotel, boarding house, restaurant, stall or any other place if the turnover relating to those articles is not less than Rs. 20,000 per annum. The Government of India have agreed to this proposal. It is proposed to give retrospective effect to it from 1st April 1955.

The Bill seeks to enhance the single point tax on bullion and specie from one-fourth of one per cent of the turnover to one-half of one per cent.

It is also proposed to tighten up the provisions of section 8 of the main Act in order to prevent an agent from passing off his own transactions as agency transactions.

With a view to facilitate easy collection of arrears, a provision has been made in the Bill to realise the arrears of sales-tax from any person from whom money is due or may become due to the dealer.

It is also proposed to provide that the tax which is not paid shall be a first charge on the property of the person or persons liable to pay it. With a view to check evasion of sales-tax revenue it is proposed to empower the Commercial Tax Officers to seize the accounts registers or documents of the dealers and to stop goods vehicles for examining their contents, etc.

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Some of the amendments proposed in the Bill are consequent to the provisions of Article 286 of the Constitution and the remaining amendments are simple ones. As the Bill is to be referred to a Select Committee I need not go into the details further. Any suggestion made by the hon. Members will no doubt be considered by the Select Committee. I, therefore, request the House to accept the motion.

MR. SPEAKER : Motion moved—

“That the Madras General Sales Tax (Third Amendment) Bill, 1955, be referred to a Select Committee.”

SRI P. RAMAMURTHI : Sir, I rise to a point of order. I would like to point out that the Bill as it is framed at present is ultra vires of the Constitution. It is not within the powers given to the State under the Constitution to make some of the provisions included in the Bill.

List II of Seventh Schedule in the Constitution gives the subjects on which the States are empowered to enact. Item 54 relates to taxes on the sale or purchase of goods other than newspapers.

Here, in this Bill, ‘dealer’ has been defined as follows—

“Dealer means any person who carries on the business of buying, selling, supplying or distributing goods, directly or otherwise, whether for cash or for deferred payment or for other valuable consideration, and includes a Hindu Joint Family which carries on such business.”

The Explanation (1) to this clause says : “A co-operative society, a club, a firm or any association which buys goods from, or sells, supplies or distributes goods to its members, whether for cash or for deferred payment or for other valuable consideration, is a dealer within the meaning of this clause.”

Let us take for example a group of persons jointly decide to purchase a particular commodity from a particular shop instead of each individual in the group going to the shop and purchasing the commodity and agree to divide the commodity among themselves. Suppose they join together like that not only in respect of one commodity but in respect of several other commodities also and agree to distribute them among themselves—of course not with any profit motive or any other motive—and thus they carry on this type of transactions. They may also form themselves into a co-operative society for the purpose of distributing the goods required for their use among themselves. As per the provisions of this Bill, such a distribution of goods is also regarded as a sale which is certainly not so. To regard distribution as a distinct transaction amounting to sale is wrong and it is certainly not within the powers of the State to levy a tax on that, because item 54 in the State List of the Schedule relates only to sale or purchase of goods and not ‘distribution of goods’. You cannot call the act of distribution a sale and say that sales tax must be

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paid on it. So far as co-operative societies and clubs are concerned where many people may join and purchase certain articles without any profit motive, it is only a method of transaction which facilitates their normal life. The present Bill seeks to make every one of these transactions a sale and it also seeks to impose a tax on it. Therefore, my contention is that the present Bill, which seeks to make even the act of distribution taxable, is certainly *ultra vires* of the Constitution and that is why I say that this Bill should not be allowed to be passed.

* THE HON. SRI M. A. MANICKAVELU: Sir, I do not understand how a point of order arises. The hon. the Leader of the Opposition began by saying that newspapers and other articles have been exempted. Then he began to read the definition of the word "dealer". I do not understand what connection that has with this. Now he is referring to the act of distribution. The word 'sale' has been defined and even in a society or a club an article is sold by one person to another. So it comes under the definition of 'sale' and will be treated as sale. Therefore, I do not see any point of order.

SRI P. RAMAMURTHI: I am very sorry if I had not made myself understood by the Hon. Minister. He talks of a sale being effected by one to the other even in a society or club. He forgets that a member of the society is a part of the society. Therefore, there is no question of a sale from a society to another part of the same organization. A sale always means a sale between one person and another person. In the case of a society, a number of persons have joined together and it is a collective organisation. There is no question of a sale from a member of the collective to the collective itself. The act of distribution cannot come within the meaning of sale and no tax can be imposed on it.

SRI V. R. KRISHNA AYYAR: Sir, I would like to put forth one point. Suppose a cartman from a village comes to a town, buys some goods on behalf of certain villagers, takes them in his cart and distributes them among the villagers. The only portion of his activity in relation to the goods will be delivering the goods at the various doors and nothing more than that. Even a cartman or a lorry-owner who simply distributes the goods for consideration, the consideration being not the value of the goods but the charges for transport or distribution, comes within the meaning of 'dealer'. This is rather ambiguous. A tax is now sought to be imposed not only on the goods which are for sale but on the service of distribution of the goods. Therefore, calling the act of distribution a sale and then imposing a tax on it is just like giving a dog a bad name and then hanging it.

SRI M. NARAYANA KURUP: Sir, I submit that in such cases referred to by the hon. Member Sri V. R. Krishna Ayyar, though the persons may pay something, that will not be the price of the article sold. That may be a return for services rendered. In such cases, if a person collects the money value of

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goods from certain persons, then the price of the commodity is paid at that point and not when he distributes it. Therefore, in a case where a man collects the amount and does only the act of distribution, what he receives is remuneration for services rendered and it will not be the price of the goods. Therefore, that case will not come under 'sale'. Of course, there are very few societies of the type envisaged by the hon. the Leader of the Opposition. If collectively, without ear-marking, a society purchases goods and distributes them as and when each particular individual wants it, then clearly it is a sale. But if at a certain point all of them agree to purchase definite quantities and they pay to the institution which only distributes the quantity required by its members, then it will not also come under 'sale', because there the price is not paid at that point.

* THE HON. SRI M. A. MANICKAVELU : Sir, I am afraid the hon. Member from Ottapalam has stolen a march over the hon. Member from Tellicherry in the matter of the correct interpretation of the word 'sale'. Suppose a person buys an article from Spencer & Co. and goes home. After that the article is delivered in his house and he pays four annas or two annas to the man who delivers it. Does it mean that it is a sale? No. The sale has taken place already. As regards the point raised by the hon. the Lader of the Opposition, even if there is any difficulty of that nature, the Bill is going before the Select Committee and everything will be looked into. Now his objection, which is in the nature of blocking the very passage of the Bill, is not called for.

SRI P. RAMAMURTHI : Sir, may I know the ruling of the Chair on this point?

MR. SPEAKER : On a point whether a proposed piece of legislation is *ultra vires*, it is not for the Speaker of the Assembly to say whether it is in order or not. It is a matter entirely for the Courts to decide especially intricate questions relating to the Constitution and the definition of words. The Select Committee will go into the matter and the discussion that has taken place in this House will be before them. Even after that if there is any doubt, there are the Courts to decide. I do not think I should take upon myself the onerous responsibility of saying that a proposed legislation, which the Government are bringing after elaborate consideration, is *ultra vires* of the powers of this House.

I now call upon the hon. Member Sri K. C. Gopalan Unni to move the amendment which he has given notice of.

SRI K. C. GOPALAN UNNI : Sir, I move—

“ That the Madras General Sales Tax (Third Amendment) Bill, 1955, be taken up after one year.”

SRI S. RAMALINGAM : Sir, I second it.

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MR. SPEAKER :—I want to tell the hon. Member that I consider this amendment out of order because under rule 75 (2) of the Assembly Rules, an amendment may not be moved which has merely the effect of a negative vote. This amendment says in effect that the Bill shall not be taken up now and I feel that it is clearly out of order. Of course, if the hon. Member says that it may be taken up at the end of a session or at some nearer date, there may be some meaning in it. But to say that it should be taken up after a year is to say that it should not be taken at all now. If the hon. Member has got anything to say in the matter, I shall be glad to hear.

SRI K. C. GOPALAN UNNI : Sir, the Government are postponing many of the important legislations till the partition of the State which is on the anvil. I thought that this being a very comprehensive measure, the future States of Kerala and Karnataka should not be burdened with such a serious legislative measure. That is why I thought that this may be taken up after the separation of the States.

SRI M. NARAYANA KURUP : With due respect to the Chair, I submit that the rule quoted does not apply here. The effect of a negative vote is used in the sense of a total rejection of the Bill, but in this case it is not so. Here it may be that the principle underlying the measure may be acceptable, but for passing or implementing it, the time may not be opportune. It is in such cases that amendments of this type are tabled. The Speaker himself said that the amendment might probably be in order if it said that the Bill be taken up at the end of this session or at some nearer date. Therefore the question is whether we can have any hard and fast rule to say that an amendment will be in order if it said that the Bill be taken up, say for instance, six months hence and it will be out of order if it said that the Bill be taken up six months and one day hence. To decide the exact period to make the amendment in order is difficult. Therefore I feel that the safe procedure will be to apply that rule to cases of total rejection, though indirectly this amendment has the effect of a negative vote as was suggested by the Hon. Speaker. Because of the difficulty involved in fixing the period of time, I feel that it is quite in order to table such an amendment. 3 p.m.

MR. SPEAKER : Suppose the amendment says that the consideration of the Bill be postponed *sine die*. Would you still think that that is in order?

SRI M. NARAYANA KURUP : That is exactly my difficulty. Which is the reasonable period of time which we can fix?

SRI P. RAMAMURTHI : The rule framed by the Assembly that an amendment may not be moved which has merely the effect of a negative vote has got a specific meaning behind it. But this amendment is in the nature of a dilatory motion and does not have a negative effect. If the House has expressed an opinion on the principle of the Bill, and an amendment is moved

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against that principle, then the amendment can be said to have the effect of a negative vote. But here the House does not express any opinion on the merits of the Bill as such. The amendment simply says that this is not the opportune time for considering the Bill. The Mover has given the reason why he thinks it inexpedient to take up the Bill now.

Recently the Bombay Legislative Assembly discussed the motion that the report of the States Reorganisation Commission be taken into consideration. At the end of three days' discussion, an amendment was moved that the consideration of that motion be adjourned *sine die*. The amendment was admitted, discussed and carried because it was in order. Considering the then prevailing circumstances, it was thought inexpedient to continue the discussion on the Report. By accepting the amendment, the Assembly did not express any opinion on the Report as such. I do not know whether the rules of the Bombay Assembly are the same as those of the Madras Assembly. Any way, that amendment was admitted and allowed to be moved because it was perfectly in order.

Coming to the present amendment, it simply says that it is not expedient to consider this Bill for one year. It is not necessary to go into the arguments either for or against the Bill. Therefore I do not think this is an amendment which has the effect of a negative vote.

SRI V. R. KRISHNA AYYAR: I also suppose that that particular rule applies only where the effect is solely and wholly negative and not negative by implication. The amendment in question simply says: 'Please consider the Bill. But then, not now but one year hence'. It does not say that the Bill be rejected or dropped. A Member cannot do deviously what he cannot do directly. This amendment has a positive aspect namely the opportune time for considering the Bill—whether the Bill should be taken up now or should it be put off. On that positive aspect, the Assembly has got to record its opinion. It has got to say we agree that the Bill may be put off or we do not agree. If there is an amendment to a clause, it may be argued that negatively it means that the original clause be dropped. Thus in every amendment, a negative aspect is implied. Here the House has got something positive to vote upon. Therefore I think the rule that was quoted does not apply to the circumstances of the present case.

SRI S. PANCHAKSHARAM: Sir, the rule under which the Hon. Minister has moved the motion provides for one of the three following motions:—

(i) that the Bill be taken into consideration.

(ii) that it be referred to a Select Committee of the House

or

(iii) that it be circulated for the purpose of eliciting opinion thereon.

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All amendments which do not relate to any of these three motions are tantamount to amendments having the effect of a negative vote.

SRI S. RAMALINGAM: Similar amendments have been moved previously and the House has rejected them.

MR. SPEAKER: Rulings by the Speaker need not necessarily constitute precedents.

The motion moved by the Minister is that the Bill be referred to a Select Committee. The object of the amendment as explained by the Mover himself is that the Bill need not at all be considered now in view of the proposed changes and that it need not go before a Select Committee. After listening to the hon. Member, I am fortified in my view that the amendment definitely comes under rule 75 (2) and that it has the effect of a negative vote. I therefore rule it out of order.

The next amendment of Sri K. C. Gopalan Unni reads as follows :—

“ That the Madras General Sales Tax (Third Amendment) Bill, 1955, be circulated to elicit the opinion of the Merchants Associations of the State.”

Under Rule 94 (1) (c), a Member can only move that the Bill be circulated for the purpose of eliciting opinion thereon. It is not open to him to suggest the associations or groups of individuals whose opinion alone should be ascertained. Unless the Member amends the amendment so as to conform to the rule, I must rule it out of order.

SRI K. C. GOPALAN UNNI: Sir, I accept your suggestion. I move—

“ That the Madras General Sales Tax (Third Amendment) Bill, 1955, be circulated for the purpose of eliciting opinion thereon.”

SRI S. RAMALINGAM: I second the amendment.

SRI K. C. GOPALAN UNNI: Sir, I move—

“ That the Madras General Sales Tax (Third Amendment) Bill, 1955, be referred to a Select Committee with powers to suggest amendments to the parent Act.” 3-10
p.m.

SRI S. RAMALINGAM: I second the amendment, Sir.

MR. SPEAKER: This amendment also, I think, is not in order because it says that the Bill be referred to a Select Committee with powers to suggest amendments to the parent Act. In considering the Bill that is now before the House, this House itself cannot make any amendments to the parent Act (not covered by this Bill) because that is not before the House. What this House is now doing is to delegate its power to a smaller body, namely, the Select Committee which cannot have larger powers

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than this House itself has. Therefore, I think that we cannot have an amendment which may give a larger power to a delegated body than what the parent body, namely, this House itself would have. I would like to know what the hon. Member Sri Gopalan Unni has got to say in view of this.

SRI P. RAMAMURTHI: Sir, there have been precedents not only in this House but also in the Parliament where consideration has been given not only to the particular Amending Bill before the House but also to the parent Act. For example, in 1952 there was the Press (Amendment) Bill before the Union Parliament. The question of referring the Bill to a Select Committee came up. Some of the Members of the Opposition made it clear that they would not serve on the Committee unless the Select Committee was allowed to consider not only the Amending Bill but also amendments to the parent Act not covered by the particular Amending Bill.

MR. SPEAKER: I want to make the position clear. I do understand that when matters are referred to a Select Committee, the members thereof go very much outside the scope of the reference. I know of such an instance with reference to the Malabar Tenancy Act. The Members of the Select Committee go outside the scope of the Bill and indicate their own viewpoints. If may be right or wrong. But can this House by a resolution empower a Select Committee to go outside the scope of the Bill that is before the House? The hon. Member may confine his remarks to the point whether a body like this House can delegate its functions to a smaller body giving it larger powers than what that body itself has. It may, of course, be open to the hon. Members to submit their views or write anything in the Report.

SRI P. RAMAMURTHI: It is not only a question of Members going out of their way in enlarging the scope of the discussion inside the Select Committee. As a matter of fact, inside the Select Committee the Members did not do it unless and until they had the prior approval of the House itself that the House had no objection to it and that, in fact, it would welcome it. As a matter of fact, in the instance I was citing the Prime Minister of India came and gave an open assurance on the floor of the Parliament that he had no objection to the Members discussing amendments to the parent Act not covered by the particular Amending Bill. That assurance was accepted and on that basis, Members served on the Select Committee. Here also, it is not a question whether this House can give larger powers than what it itself possesses. After all, this House is a sovereign body. It has got powers to amend any Act at any time. Therefore, as far as powers are concerned, it has got supreme powers. All that we say is that when we are undertaking amendments to a particular Act, we may utilize that opportunity not only to go into the particular amendments but also into the wording of the parent Act itself and see whether these amendments alone will serve the purpose or whether some other amendments are necessary for the public

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good. Therefore, this House is entitled to give this specific direction. It is not going beyond its powers in doing that. It has got such powers and it can exercise those powers at any time for the public good. If the Government accept that position, it will be very good. It is open to the Government to accept, 'Yes, we shall examine the whole thing. Let us examine not only these amendments but also the entire Sales Tax Act itself. In the light of the discussion in the Select Committee if any more amendments to the parent Act are found necessary, we shall bring in another Bill'. Therefore, I submit that this is not a question of delegation of powers which do not properly and normally belong to this House.

MR. SPEAKER : I would like the hon. Leader of the Opposition to clarify this point. If, as a matter of fact, the Select Committee has got powers, then the words 'with powers to suggest amendments to the parent Act' would be redundant.

SRI P. RAMAMURTHI : I was not saying that the Select Committee had already got that power. I was saying that the House had got that power because the House was a sovereign body. It can at any time suggest to a Committee, a creation of itself, to do certain things, for example, to go into the entire parent Act while discussing the particular Amending Bill. Certainly, it is not open to the Select Committee, on its own motion, to go into the entire parent Act. If it does that, the House may accept or reject its recommendations. But as far as this House is concerned, it has got the power to give a specific directive to a body created by itself to do certain things.

SRI M. NARAYANA KURUP : Sir, rule 104 of the Assembly Rules provides—

"It shall be an instruction to every Select Committee on a Bill that it has power to make such amendments as it may think fit provided that such amendments are relevant to the subject-matter of the Bill but that if any such amendments shall not be within the title of the Bill, they do amend the title accordingly and do report the same specially to this House."

Of course, this, to an extent, confirms the opinion already expressed by the Hon. Speaker that the Select Committee may make change and if they do not come within the title, it may amend it. But we all know that though the Select Committee may make such a change, the House can object that the Select Committee in doing so went beyond its powers and that it is not acceptable to the House. If after the Select Committee, having taken the labours to examine the Bill, comes before the House with some amendments, the House objects to them, then its whole labour is wasted. It is only to avoid such a contingency that such an amendment is moved. This amendment only informs the Select Committee that this House will not have any legal objection if the Committee makes such changes. Therefore, there is no inconsistency if a legislation is quite within the competence of this House is concerned, it has got the power to give a specific

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should be brought before this House in the form of a separate Bill or in the form of amendments to the already existing Bill. We know that the Government or the Mover of any Bill is not bound to take up for consideration the Report of the Select Committee. If on making such changes it is found expedient by the Government to bring in a fresh Bill, they may drop the Report and bring in a fresh legislation on the lines suggested. Therefore, there is nothing inconsistent or incongruous or beyond the powers of this House to accept such an amendment as is proposed.

* SRI K. PARTHASARATHY: Without discussing whether such an amendment is necessary or not, I wish to point out that the amendment will be in order. In some cases it is desirable that the Select Committee should be authorized to consider whether the parent Act needs a thorough overhaul. Rule 104 may not provide for such a contingency. But in cases where it is necessary, there should be provision for the Select Committee to go into the question of revising the entire Act. Therefore, my submission is that the proposed amendment will be in order.

3-20
p.m.

MR. SPEAKER: In view of the fact that Sri K. C. Gopalan Unni's amendment only speaks of referring the Bill to a Select Committee with powers to suggest amendments to the parent Act, I shall hold it in order.

The next amendment is that of the hon. Member Sri A. Veloo which reads as follows:—

"That the Madras General Sales Tax (Third Amendment) Bill, 1955, be referred to a Select Committee with instructions to take evidence from merchant communities."

The Hon. Minister has moved the motion to refer the Bill to a Select Committee. So, the amendment of Sri A. Veloo cannot be moved.

SRI A. VELOO: I am not moving the amendment.

MR. SPEAKER: The main motion and the amendments are now before the House for discussion.

* SRI K. MADHAVAN NAMBIAR: മിസ്റ്റർ സ്പീക്കർ, സർ, സാധാരണക്കാരന്, പിന്നെ കുറച്ച് കള്ളം കടിച്ചു വാലിൽ ഒരു തേളംകൂടെ കടിച്ചാലത്തെ കഥയെന്നായിരിക്കും എന്നു പണ്ടോരോ പറഞ്ഞുവോയെന്നാണ്. ഈ വില്പനനികുതി നിയമത്തിന്റെ പോഷ്. ഏകമുഖ വില്പനനികുതി ഏറ്റെടുത്തെന്നാണ് ആവശ്യപ്പെട്ടുകൊണ്ടു് നാട്ടിൽ ഇന്നു ശക്തിയായ പ്രക്ഷോഭം ഉയർന്നു വരുന്നതു്. ഇതിനെ സംബന്ധിച്ചു് ബഹുമാനപ്പെട്ട മുഖ്യമന്ത്രിതന്നെ പല വാഗ്ദാനങ്ങളും ചെയ്തിട്ടുണ്ടു്. അടുത്ത നിയമസഭയിൽ ഏകമുഖ വില്പനനികുതി ഏറ്റെടുത്താൻ നിയമം അവതരിപ്പിക്കണമെന്നും അതിനെപ്പറ്റി ആലോചിക്കണമെന്നുമൊക്കെ അദ്ദേഹം പറഞ്ഞിട്ടുണ്ടു്. എന്നാൽ ഇപ്പോൾ ഏകമുഖ വില്പനനികുതി ഏറ്റെടുത്തുവാനല്ല, നിലവിലുള്ള ബഹുമുഖ നികുതിയെത്തന്നെ കൂടുതൽ കർന്നുമാക്കുവാനാണ് ഈ ബില്ലു കൊണ്ടുവന്നിരിക്കുന്നതു്. ഇതിനെ ശക്തിയായി എതിർക്കാതിരിക്കാൻ നിവൃത്തിയില്ല. ഈ ബില്ലുംകൂടി പാസ്സാക്കിക്കഴിഞ്ഞാൽ എത്ര ചെറിയ കച്ചവടക്കാരായും വില്പനനികുതി ബാധിക്കുമെന്നുള്ളതു പരമാത്മം മാത്രമാണു്. കമ്മീഷൻ ഏജൻറുമാർ പോലും ഈ നിയമമൂലം നികുതികൊടുക്കുൻ ബാധ്യസ്തരായിത്തീരും.

കരു കച്ചവടക്കാരൻ എത്രതന്നെ കടമുണ്ടായിരുന്നാലും നികുതിബാധ്യതയ്ക്കായി അയാളുടെ സ്വത്തുകൾ പിടിച്ചെടുക്കാമെന്നും, കടത്തെ കണക്കിലെടുക്കാതെ റവന്യൂ റിക്വറി നിയമമുപയോഗിച്ച് നികുതിയിടാക്കാമെന്നുമുള്ള ഒരു വ്യവസ്ഥകൂടി ഇം ബ്ലിഷിൽ ഉൾപ്പെടുത്തിക്കൊണ്ടുണ്ട്. കച്ചവടക്കാരന് ഏതെങ്കിലും മാർഗ്ഗത്തിൽ പണം വശമുണ്ടെങ്കിൽ അതുകൂടി കണ്ടുകിട്ടാമെന്നാണ് പറഞ്ഞിരിക്കുന്നത്. ഇതു വളരെ കഠിനമുള്ളൊരു കരു വ്യവസ്ഥയാണ്.

3-25
p.m.

அடுத்தாற்போல் இந்த மாகாணத்தில் இருக்கக்கூடிய அததனை வியாபாரிகளும் ஒரு முனை விற்பனை வரி அமுலுக்குக் கொண்டு வரப்பட வேண்டுமென்று பல மகாநாடுகள் கூட்டி தீர்மானங்கள் நிறைவேற்றியும் வருகிறார்கள். ஆனால் சர்க்கார் ஏதோ மகாநாடுகள் கூட்டுகின்ற மாதிரி கூட்ட ஜில்லாவாரியாக கமிட்டிகளை ஏற்படுத்தியிருக்கிறார்கள். ஆனால் அந்தக் கமிட்டிகள் என்ன வேலை செய்திருக்கின்றன என்பதை தெரியவில்லை. இப்படி வியாபாரிகள் ஒரு முனை விற்பனை வரி வேண்டுமென்று கூக்குரலிட்டுக் கொண்டிருக்கும்போது இன்றைக்கு சர்க்கார் பல முனை விற்பனை வரியையே ஆதரிப்பது போன்ற முறையில் இதுவரையில் இருந்தது போல் அல்லாமல் இனிமேல் விநியோகஸ்தர்களுக்கும் விற்பனை வரி போட சட்டம் கொண்டு வருகிறது. முன்பு காஸ்டமோலிட்டன் கிளப்பும், வேறு சில கூட்டுறவு சங்கங்களும் தங்கள் ஸ்தாபனத்தின் மூலம் தங்கள் ஸ்தாபன அங்கத்தினர்களுக்கே கொடுக்கும் பொருள்களை விற்பனையாகக் கருதி விற்பனை வரி கொடுக்க முடியாது என்றுவிட்டதால் அவர்களிடமிருந்தும் வரி வாங்கவேண்டுமென்ற நோக்கத்தோடு இந்தமாதிரியாக மசோதா கொண்டு வருவது இந்த ராஜ்யத்திலுள்ள பெரும்பாலானவர்களைப் பாதிக்கும் என்று தெரிவித்துக் கொள்ளுகிறேன். முன்பு 2,500

[Sri N. K. Palanisamy]

[29th November 1955]

ரூபாய்க்கு மேல் விற்பனை ஆகிய காபி கிளப்புகளுக்கு மட்டும் தான் விற்பனை வரி உண்டு என்று இருந்தது. இன்றைக்கு 2,000 ரூபாய் வியாபாரம் ஆனாலே போதும், அவர்கள் விற்பனை வரி அளிக்க வேண்டுமென்று சொல்லுகிறார்கள். இதனால் சிறு சிறு உட்கடைக்காரர்கள் கூட பாதிக்கப்படுவார்கள் என்பதையும் நான் தெரிவித்துக் கொள்ள விரும்புகிறேன். எப்படியோ சர்க்காரின் வருமானத்தை அதிகப்படுத்திக் கொள்வதற்காக இம்மாதிரியாக வரி விதிக்க உத்தேசிப்பது சரியல்ல. அதோடு முன்பு தவறாக மிக அதிகப்படி வரி விதித்துவிட்டால் அந்த வரியை செலுத்தும்படி தான் நிர்நந்திக்கப்படாது. மறுபடியும் கணக்குகள் பரிசோதிக்கப்படவேண்டும் என்று வழக்காட வியாபாரிகளுக்கு சலுகை உண்டு. பணம் வசூலிக்காமல் இருக்க ஸ்டே ஆர்டரம் வாங்கலாம். ஆனால் தற்போது அந்த விதி எடுக்கப்படுகிறது. இது எல்லாம் சரியானது அல்ல. இம்மாதிரி பல மசோதாக்களைக் கொண்டு வருவதைவிட ஒரு முனை விற்பனை வரி கொண்டு வரப்படவேண்டுமென்று கேட்டுக் கொள்ளுகிறேன்.

3-30
p.m.

SRI P. RAMAMURTHI : கனம் சபாநாயகர் அவர்களே, இந்த மசோதாவை சர்க்கார் கொண்டு வருவதற்கு முக்கியக்காரணம் என்ன? பணம் பணம், வரி வரி, என்ற தீராப் பசி. அடங்காத பசி. எந்த வகையிலேயும் மக்களிடமிருந்து வரியாகப் பணம் வசூலித்துவிடவேண்டுமென்ற, தங்கள் பசியைத் தணித்துக் கொள்ள வேண்டும் என்பதிலேயே தான் இந்த மசோதா கொண்டு வரப்படுகிறது.

என் நான் அப்படிச் சொல்லுகிறேன்? இந்த மசோதாவை ஒட்டி மொத்தமாக பார்த்தால் இந்த மசோதாவின் நோக்கம் ஒரு கூட்டுறவு சொஸைடியோ, அல்லது ஒரு கிளப்போ தங்கள் ஸ்தாபனத்தைச் சேர்ந்த உறுப்பினர்களுக்கே ஏதாவது பொருளை விநியோகித்தால் அதனையும் வியாபாரம் செய்து போலவே கணக்கிட்டு வரி விதிக்கப்படும் என்றால் இது எவ்வகையில் நியாயம் என்பதை நாம் சிந்திக்க வேண்டும். ஒரு முனை விற்பனை வரி கொண்டு வரப்படவேண்டுமென்று இந்த ராஜ்யத்திலுள்ள வியாபாரிகள் கேட்டுக் கொண்டிருக்கிறார்கள். அதற்கு வேண்டிய ஏற்பாட்டைச் செய்யாமல் விநியோகிப்பவர்களுக்கும் கூட வரி விதிக்கப்பட வேண்டுமென்று இந்த மசோதாவை எதற்காகக் கொண்டு வரவேண்டும். இன்றைக்கு ஜனங்களின் மீது எந்த அளவுக்கு வரி அதிகமாக விதிக்கப்பட்டிருக்கிறதோ அந்த அளவைத்தான் இது அதிகப்படுத்துகிறது. ஒரு பக்கத்தில் கூட்டுறவு சங்கங்களை அதிகப்படுத்த வேண்டுமென்று சொல்லுகிறோம். அதேசமயத்தில் இந்தமாதிரியாக கூட்டுறவு சங்கங்களின் மூலமாக விநியோகிக்கப்படுகிற பொருள்களுக்கும் விற்பனை வரி விதிக்கப்படும் என்று சொல்லுகிறோம் இதன் முடிவு என்ன? இன்றைக்கு மிக அதிகமாக தொழிலாளிகள் வாழ்கின்ற பிரதேசங்களில் தான் கூட்டுறவு சங்கங்கள் இருக்கிறது. அவைகள் பாதிக்கப்படும். அதனால் தொழிலாளிகள் பாதிக்கப்படுவார்கள். பெரும்பாலான சிறிய கிராமங்களிலுள்ள மக்களும் பாதிக்கப்படுவார்கள்.

இரண்டாவதாக விற்பனை வரி அதிகாரிகள் என்றால் வியாபாரிகளுக்கு சிம்ம் சொப்பனமாக இருக்கிறது. ஏனென்றால் இல்லாத பொல்லாத தொந்தரவுகள் பலவற்றை அந்த அதிகாரிகள் கொடுக்கிறார்கள். உதாரணமாக சர்க்கார் கடனுக்கு பணம் வசூல் பண்ணவேண்டுமா? டி.ஸி.டி.ஓ. தான் போகிறார். எனக்கு நன்றாகத் தெரியும். காங்கிரஸ் கட்சி எம்.எல்.ஏ. ஸ்ரீராஜாராம் நாயுடு திருமங்கலத்தில் கடன் வசூலிக்கப் போனார் என்றால் அவருக்காக கடன் பணம் வராதது. அவருக்குச் செல்வாக்கு இல்லை. ஆனால் அந்தப் பிராந்திய டி.ஸி.டி.ஓ. வையும் அவர் அழைத்துச் செல்லுகிறார். அப்பொழுது தான் பணம் வரும். இதன் அர்த்தம் என்ன? வியாபாரிகளை டி.ஸி.டி.ஓ.-க்கள் மூலமாக பயமுறுத்திப் பணம் வாங்கலாம் என்பது தானே. இப்படி ஏற்கெனவேயே வியாபாரிகளுக்கு டி.ஸி.டி.ஓ.-க்களைக் கண்டால் ஒரே பயமாக இருக்கும்போது இன்றைக்கு இந்த மசோதா மூலம் ஒரு அதிகாரி வேண்டுமென்றே ஒருவர் கையில் 2,500 ரூபாய்க்கு விற்பனை ஆகியிருக்கிறது. அதற்கு விற்பனை வரி கட்ட

BILL, 1955

29th November 1955] [Sri P. Ramamurthi]

வேண்டுமென்று உத்தரவு போட்டுவிட்டால் அந்த வியாபாரி அதை மறுத்து ஸ்டே ஆர்டர் வாங்கலாம் என்று முன்பு இருந்தால் இப்பொழுது அந்த அதிகாரம் போய்விடுகிறது. ஸ்டே ஆர்டர் வாங்குவதானால் அவ்வளவு ரூபாக்கும் டொலரிட் கட்ட வேண்டுமென்கிறார்கள். ஆனால் இங்கே என்ன சொல்கிறார்கள்? அதெல்லாம் இங்கே கூடாது என்று சொல்கிறார்கள். ‘அப்பெல்லேட் டிரிப்யூனல்’ அப்படியெல்லாம் ‘ஸ்டே ஆர்டர்’ கொடுக்கக்கூடாது என்று சொல்லப்பட்டிருக்கிறது. பின்னே எப்படிக்கொடுக்கவேண்டுமாம்? அந்த நபர் வரிப்பணத்திற்கு ஈடாக ஏதாவது சொத்து ஜாமீனாகக் கொடுப்பாரேயானால், ஏற்கெனவே போடப்பட்டிருக்கும் வரிப்பணத்தை பூராவையும் தவணைகளிலாவது கட்டியாகவேண்டும் என்று உத்தரவு போடலாமே தவிர ‘ஸ்டே ஆர்டர்’ கொடுக்கக்கூடாது என்று தெள்ளத்தெளிவாக சொல்லப்பட்டிருக்கிறது.

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பின்பு அந்த வரி போடாது அக்கிரமமானது என்று நிரூபிக்கப்பட்டால், அம்மாதிரி ஜனங்களிடமிருந்து அநியாயமாக வரி வசூலிக்கும் அதிகாரிகளை தண்டிப்பதற்கு ஏதாவது வழி உண்டா? அதுவும் கிடையாது. அந்த அப்பீல் நீண்ட காலமாக, சுமார் இரண்டு வருட காலமாக நடந்தால், அந்த இரண்டு வருஷத்திற்குப் பிறகு கடைசியில் 4,000 ரூபாயை எடுத்துக்கொண்டு சர்க்கார் கஜானாவுக்குப் போனால் அங்கே அந்த இரண்டு வருஷத்திற்கும் வட்டி போடப்போகிறார்கள். ஆனால் திரும்பப் பணம் வாங்க வேண்டுமானால் அப்போது இந்தக் கஜானா, அந்தக் கஜானா என்று இழுத்தடிப்பார்கள். மேலும், அவர்களே நியமித்த அப்பீல் கோர்ட்டின் மீது கூட இன்றைக்கு அரசாங்கத்திற்கு நம்பிக்கை கிடையாது. ஆனால் கீழே உள்ள உத்தியோகஸ்தன் போட்டது தான் சட்டம்.

இதற்கும் மேலே இன்னும் சில விஷயங்கள் இருக்கின்றன. மசோ தாலிலுள்ள லெக்ஷனை வேண்டுமானாலும் படித்துக் காட்டுகிறேன். லெக்ஷன் 11 (a)-ல் சொல்லப்பட்டிருக்கிறது: “Provided that, if the appeal involves a question of law on which the Appellate Tribunal has previously given its decision in another appeal and either a revision petition in the High Court against such decision or an appeal in the Supreme Court against the order of the High Court thereon is pending, the Appellate Tribunal may defer the hearing of the appeal before it till such revision petition in the High Court or the appeal in the Supreme Court is disposed of”. அதாவது, “ஏற்கெனவே இம்மாதிரி வரி விதிக்கும் அதிகாரியின் நிர்ணயத்திற்கு விரோதமாக ஒரு சட்டப் பிரச்சனை சம்பந்தமாக அப்பெல்லேட் டிரிப்யூனலுக்கு ஒரு வியாபாரி மனுச் செய்துகொண்டார். அந்த மனுவின் மீது அந்த டிரிப்யூனல் ஒரு தீர்ப்புக் கொடுத்தது. அந்த தீர்ப்பை எதிர்த்து மேலும் அவர் போட்ட அப்பீல் ஒன்று ஹைகோர்ட்டிலோ அல்லது ஸுப்ரீம் கோர்ட்டிலோ பைசல் ஆகாமல் இருக்கிறது. இந்த சமயத்தில், மற்றொரு வியாபாரி இதேமாதிரியான சட்டப் பிரச்சனை சம்பந்தமாக ஒரு மனுவை அப்பெல்லேட் டிரிப்யூனலுக்குப் போட்டிருக்கிறார்” என்று வைத்துக்கொள்வோம். அப்படிப்பட்ட நிலைமை ஏற்படுவோது, முதல் வியாபாரியின் வழக்கு சம்பந்தமாக ஹைகோர்ட்டோ, சுப்ரீம் கோர்ட்டோ தீர்ப்புக் கூறும் வரையில், புதியதாக மனுச்செய்துகொண்ட இந்த மற்றொரு வியாபாரியின் வழக்கு விசாரணையையும் ஒத்திவைக்கவேண்டும். நான்கு வருஷங்களுக்குப் பிறகு ஹை கோர்ட்டுன் தீர்ப்போ, ஸுப்ரீம் கோர்ட்டுன் தீர்ப்போ வருவதாக இருந்தால், அந்த நான்கு வருஷம் வரையிலும் அப்பெல்லேட் டிரிப்யூனல் இந்த இரண்டாவது வியாபாரியின் வழக்கை எடுத்துக்கொள்ளாது. ஆனால் கீழேயிருக்கும்படியான உத்தியோகஸ்தன் நிர்ணயித்த வரியை மட்டும் அந்த வியாபாரி கொடுத்தாகவேண்டும்; தவணைகளிலாகவாவது அவர் அந்த வரியைக் கொடுத்தாகவேண்டும். அதைத் தடுத்து நிறுத்த முடியாது. ஆனால் ஹை கோர்ட்டுன் தீர்ப்பு எப்போதும் யாரை பாதிக்கும்? இந்த சின்னஞ்சிறு வியாபாரியைத் தான் பாதிக்கும். ஏனென்றால் அக்கிரமமாக வரி போடப்பட்டதென்று தீர்ப்புக் கூறப்பட்டால்,

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அவ்விதம் அநியாயமாக வரிபோட்ட அதிகாரியைத் தண்டிப்பதற்கு வழி கிடைப்பது ; அந்த உத்தியோகஸ்தரை தீர்ப்பு ஒருபோதும் பாதிக்காது. ஆகவே இந்தமாதிரியாக அக்கிரமமான வரியை இந்த சின்னஞ் சிறு வியாபாரிகளிடமிருந்து எந்த எந்த முறைகளிலெல்லாம் வசூலிக்கமுடியுமோ அந்த முறைகளிலெல்லாம் வசூலிப்பதற்காகவே ஒரு மந்திராலோசனை நடத்தி, தயாரிக்கப்பட்டிருக்கும் ஒரு மசோதாவாகத்தான் இது இருக்கிறது. சாதாரண சின்ன வியாபாரிகளுக்கு மேலும் மேலும் வரிக் கஷ்டங்களை சுமத்தும் ஒரு மசோதாவாகத்தான் இது இருக்கிறது.

வாஸ்தவத்திலேயே இன்றைக்கு அரசாங்கத்திற்கு விற்பனை வரி மூலம் வரி கிடைக்கவேண்டும் என்று சொன்னால், அவ்வாறு வரி வாங்குவதற்கு வேறு வழி இல்லையா? ஏன், நான்கு முனைகளில், ஒவ்வொரு முனை யிலும் $4\frac{1}{2}$ தம்பிடி வசூலிப்பதற்கு பதிலாக ஒரே முனையில் $1\frac{1}{2}$ அணவாக வசூலிக்கலாமே. உபயோகிப்பவன் கைக்குப் பொருள் போவதற்கு முன் னால் நான்கு முனைகளில் வசூலிப்பதற்கு பதிலாக ஒரே முனையில் $1\frac{1}{2}$ அண கொடுக்க வேண்டும் என்றால் இன்றைக்கு அரசாங்கத்திற்கு வேண்டிய பணம் நிச்சயமாக வந்துவிடுமே. அப்படிச் செய்தால் இவ்வளவு பெரிய நிர்வாக இயந்திரத்திற்கு அவசியமில்லை. அரசியல் செல்வாக்கை உபயோகிப்பதற்காக, இந்த மாதிரி எல்லா வியாபாரிகளின் மீதும் வரிக் கொடுமையைச் சுமத்தி, எல்லா வியாபாரிகளையும் கஷ்டங்களுக்குள்ளாக்கி, அவர்களிடையே ஒரு பயத்தை சிருஷ்டிக்கவேண்டும் என்பது இவர் களுடைய உண்மையான நோக்கமாக இல்லாமல்லை. ஒரே முனையில் வேண்டிய வரியை வசூலிக்கலாமே. பல முனைகளில் வரியை வசூலிப்ப தற்காக இவ்வளவு பெரிய இலாகாவை நடத்துவதற்கும் அவசியம் இல்லை. “இந்த மாதிரி பலமுனைகளில் விற்பனை வரி போடவேண்டாம், ஒரே முனையில் போடலாம்” என்று இந்த மாகாணம் பூராவும் வியாபாரிகள் மிகப் பெரிய கிளர்ச்சி செய்துகொண்டிருக்கிறார்கள். கிளர்ச்சி செய்கின்ற போதெல்லாம் “யோசித்துக்கொண்டிருக்கிறோம், ஆலோசனை நடத்துகிறோம்” என்றெல்லாம் சொல்லிவிட்டு, இப்பொழுது இந்த ஆலோசனை களின் விளைவாக என்ன செய்திருக்கிறார்கள் என்று பார்த்தால், இந்தக் கஷ்டங்களிலிருந்தெல்லாம் விடுதலை இல்லை என்பது தெரிகிறது. மேலும் கஷ்டங்களை சுமத்தும்படியாக ஒரு மசோதா கொண்டுவரப்பட்டிருக்கிறது. இந்த மசோதாவை பொறுக்குக் கமிட்டிக்கு அனுப்பவேண்டுமென்று கூறும் யோசனை தவறு. இந்த மசோதாவையே கைவிட்டுவிட வேண்டும். அதுதான் நேர்மை. அதுதான் நியாயம். இல்லாவிட்டால், வியாபாரிகளின் வெறுப்பைத்தான் மேலும் மேலும் இந்த சர்க்கார் பெறக் கூடும் ; சிறு வியாபாரிகளுக்கு மேலும் மேலும் கஷ்டங்கள் வரத்தான் செய்யும். ஆகவே இந்த மசோதாவை நான் எதிர்க்கிறேன்.

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* THE HON. SRI M. A. MANICKAVELU : Sir, the hon. Leader of the Opposition reads many things in this Bill which are not there. He said that the Government were trying to take power in order to exercise it in undemocratic and prejudicial manner. The provisions of the Bill do not disclose any justification for such a fear to be entertained.

He also referred to the question of single-point tax. I may tell him that this Bill does not go into that question. As the very title of the Bill indicates that it is the Third Amendment Bill, there are already two Amendments to the main Act. Sir, these amending Bills are brought forward in order to rectify certain defects and overcome certain difficulties which we have found in the normal working of the Act. The levy of a single-point tax is a larger question which, I have already stated, is under the consideration of the Government and in that connection a conference of merchants and other commercial bodies was held and they had

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expressed their views on the subject. We are carefully considering them and there will be time enough to think of bringing in a Bill for that purpose or for other purposes. But the object of this Bill is only to remedy some of the defects which I have already stated.

Sir, the hon. Leader of the Opposition says that this Government have got an insatiable hunger for money and they go on raising more and more taxes. What is the insatiable hunger of this Government in this case? After all, we propose to raise the tax from one-fourth of one per cent of the turnover to one-half of one per cent.

SRI P. RAMAMURTHI: Even this tax is not going to satisfy the Government and they will never be satisfied. They are going to bring more and more taxation measures. That is why I said that their hunger was insatiable.

* THE HON. SRI M. A. MANICKAVELU: The increase in the tax is very insignificant. Further, the persons for whom the hon. Leader of the Opposition speaks and pleads very often, are not very much affected, because it is levied only on bullion and specie.

SRI P. RAMAMURTHI: We are interested in food articles which the Government are taxing.

* THE HON. SRI M. A. MANICKAVELU: Now I am on bullion and I will come to food articles later on.

That is one instance where the tax is sought to be raised. Another instance is with regard to the tax on food articles. As it is, this tax is levied on food sold in a hotel, boarding house and restaurant. Now, in addition to those places, we are adding 'stall or any other place'. By experience, we have found that the stalls are very busy and are making very large sales. Naturally, they also must be brought within the purview of this Bill so that they can also be taxed.

SRI P. RAMAMURTHI: I would like to remind the Hon. Minister of one fact, which he has forgotten. The Government are not only bringing food and food articles that are sold in stalls under the purview of the General Sales Tax Act but they are also lowering the limit for exemption.

* THE HON. SRI M. A. MANICKAVELU: I have just mentioned that the articles of food sold in the stalls also must be taxed but in the meanwhile the hon. Leader of the Opposition fre-stalled me, by referring to the lowering of the limit for exemption. I also want to refer to it. Now we are proposing to reduce the turnover from Rs. 25,000 to Rs. 20,000 in view of the fact that the stalls and other places will be excluded from this tax if we do not do so. That is why the turnover has been reduced.

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Now, I come to the other amendments proposed in the Bill. It is sought to omit Clauses (iii) and (v) of Section 5 and Section 7 of the main Act as they have become superfluous in view of the provisions of the Constitution under which no sales tax can be levied if the sale is for delivery outside the State.

Then, Sir, certain agents of merchants, taking advantage of their position as agents, make certain transactions and cleverly evade the sales tax. Now we have proposed an amendment to see that no such evasion takes place on the ground of agency transactions.

Then, some hon. Members objected to certain powers being given to the officers of the Department. Now I will give a few instances which occurred in Tiruchirappalli. There the merchants sell goods on the spot which are loaded in lorries and taken away. The whole transaction is done in a very short time and it will not be entered in the account books. In such a way they evade the tax. As it is, now the officers have no power to stop a motor vehicle, say a lorry, and examine the goods, with the result they go scot-free without paying any tax. Now it is sought to give them power to stop a motor vehicle. Even now they can stop it but it is not covered exactly by the provisions of the existing Act. Therefore, we are making the relevant provision more explicit and nothing more.

SRI P. RAMAMURTHI: Sir, am I to understand that the Government are well aware that the officers are exercising powers which properly do not belong to them, and they are illegally doing certain things and now the Government are bringing forward this legislation for the purpose of legalising the illegal actions of the officers?

* THE HON. SRI M. A. MANICKAVELU: It is not a question of illegality. In some stray cases steps taken may not have the exact cover of law.

Sir, when it is brought to the notice of the Government that large scale transactions and sales are taking place and certain merchants evade the sales tax, the Government are well advised to bring forward proper amendments so that they also will be covered by a proper legislation.

3-50 P.M. Then Sir, certain amendments have been introduced for the purpose of removing certain difficulties caused by judicial pronouncements. The Bill is going to be referred to a Select Committee and at the Select Committee stage the various difficulties pointed out by the hon. Leader of the Opposition can be gone into and it is open to the Select Committee to rectify them wherever it is possible. I submit, Sir, that at this stage much heat need not be let out. All useful suggestions made by hon. Members will be considered by the Select Committee and whatever is reasonably necessary will be done at the time when the Bill is scrutinised by it. I hope, Sir,

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SRI P. RAMAMURTHI : The Hon. Minister has not touched upon one aspect of the question put to him. There is a specific amendment which gives a directive to the Select Committee to go not only into the provisions of the Bill but also to suggest amendments to the parent Act itself. I hope the Hon. Minister has got no objection to accepting that amendment.

* **THE HON. SRI M. A. MANICKAVELU :** Now the House is seized of the provisions as embodied in the Bill. Naturally the Select Committee will go into those provisions of the Bill. In the past many a Select Committee had gone beyond the provisions of the Bill and made suggestions and it was felt in certain cases that the Bill had to be republished and in certain cases it was said that no republication was necessary because the changes that were made were not so important. Here the amendment seeks to give a sort of rambling power to consider the provisions of the whole parent Act and I think that will not be correct. If the Select Committee considers the provisions of the Bill and makes changes, drastic or otherwise, that is a different thing. I think it is not right and correct for the house to give a particular directive that the whole provisions of the parent Act should be gone into. It is not usual to give such directives and it is not correct also.

MR. SPEAKER : I will now put the amendments to the vote of the House. The question is—

“That the Madras General Sales Tax (Third Amendment) Bill, 1955, be circulated for the purpose of eliciting opinion thereon.

The amendment was put and lost.

MR. SPEAKER : The question is—

“That the Madras General Sales Tax (Third Amendment) Bill, 1955, be referred to a Select Committee with powers to suggest amendments to the parent Act.”

The amendment was put and lost.

MR. SPEAKER : I shall now put the main motion to the vote of the House. The question is—

“That the Madras General Sales Tax (Third Amendment) Bill, 1955 be referred to a Select Committee consisting of the following Members :—

1. Hon. Sri M. A. Manickavelu
2. „ C. Subramaniam.
3. Sri K. Rajaram.
4. „ A. Iyanar.
5. „ K. Aranganathan.
6. „ S. C. Virupakshiah.
7. „ Md. Salih Maraikayar.
8. „ R. Krishnaswami Naidu.
9. „ S. Ramalingam.

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10. Sri T. C. Narayanan Nambiar.

11. „ V. Gopala Gounder.

12. „ P. Kunhirama Kidav.

13. „ V. R. Krishna Ayyar.

14. „ P. R. Rajagopala Gounder.

15. „ K. Kunhi Mohamed Shafee.

The motion was put and carried.

Sri P. Ramamurthi demanded a poll but later on withdrew it.

MR. SPEAKER: Under rule 98 (1) of the Assembly Rules I nominate the Hon. Sri M. A. Manickavelu to be the Chairman of the Select Committee.

(3) THE MADRAS GENERAL SALES TAX (FOURTH AMENDMENT)
BILL, 1955.

* THE HON. SRI M. A. MANICKAVELU: Mr. Speaker Sir, I beg to introduce the Madras General Sales Tax (Fourth Amendment) Bill *, 1955 and move—

“ That the Bill be taken into consideration at once.”

I wish to explain some of the salient features of the Bill.

Under item (ii) of Section 3 (2) of the Sales Tax Act, an additional sales tax of one-anna three pies per rupee is leviable with effect from 23rd August 1954 on cotton cloth made in mills in which the count of warp yarn employed (excluding the border) is 55 counts or finer. A notification of the Government of India issued in March 1955 classifying cotton cloth as medium, fine or superfine with reference to the average count of the warp and weft, has made it difficult for this Government to levy the additional sales tax on cotton cloth manufactured after March 1955 with reference to the count of warp yarn employed in such cloth. Hence, the necessity for amending the Act so as to classify cotton cloth not in terms of “ counts ” but as “ fine ” or “ superfine ” as the Government of India may decide from time to time under the Cotton Textiles (Control) Order, 1948.

Item (i) of Section 3 (2) of the Sales Tax Act provides for the levy of an additional sales tax of one-anna three pies per rupee from 23rd August 1954 on mill cloth (whether of silk, artificial silk, wool, flax, or any other material) which is not made wholly of cotton and in which the count of warp yarn employed (excluding the border) is 17 counts or finer. It has been pointed out that silk is classified not by “ counts ” and that just as in cotton yarn, there are counts in woollen yarn also and that the cotton and woollen counts do not correspond. As this defect noticed in the working of the Act has to be rectified an amendment of item (i) of section 3 (2) of the Act with retrospective effect from 23rd August 1954 as to the levy